

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

MARCH 30, 1964



SHIPPING FARM PRODUCTS
ABROAD IN THE JET AGE

PREFLIGHT BAGGAGE CHECK

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

MARCH 30, 1964

VOLUME II • NUMBER 13



These salad makings from Texas, getting ready for jet flight to Europe, are examples of what the new air speeds and facilities can do to hurry U.S. produce overseas. See story, opposite page.

Contents

- 3 Shipping Farm Products Abroad in the Jet Age
- 6 Preflight Baggage Check Safeguards U.S. Farmlands
- 8 Highlights in World Grain Trade:
 - Increased Japanese Production of Mixed Feeds Means Sales Opportunities for U.S. Feed Grains
 - Danish Bread Grain Area Down
 - Germans Plant Quality Wheat
 - U.K. Plans To Export Barley
 - Canada's Wheat to East Germany
 - Mexico To Import No Corn
- 9 Market Development
 - First Year Under New Policies of U.S. Barter Program Saves Millions in U.S. Foreign Exchange
 - British Approve U.S. Rice Kit for School System Use
 - Promotion, Competitive Prices, Spurred Record U.S. Dairy Sales in 1963
 - Chilean Purchase of U.S. Holsteins Forecast
- 11 World Crops and Markets (Commodity index on page 16)

Orville L. Freeman, Secretary of Agriculture

Roland R. Renne, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

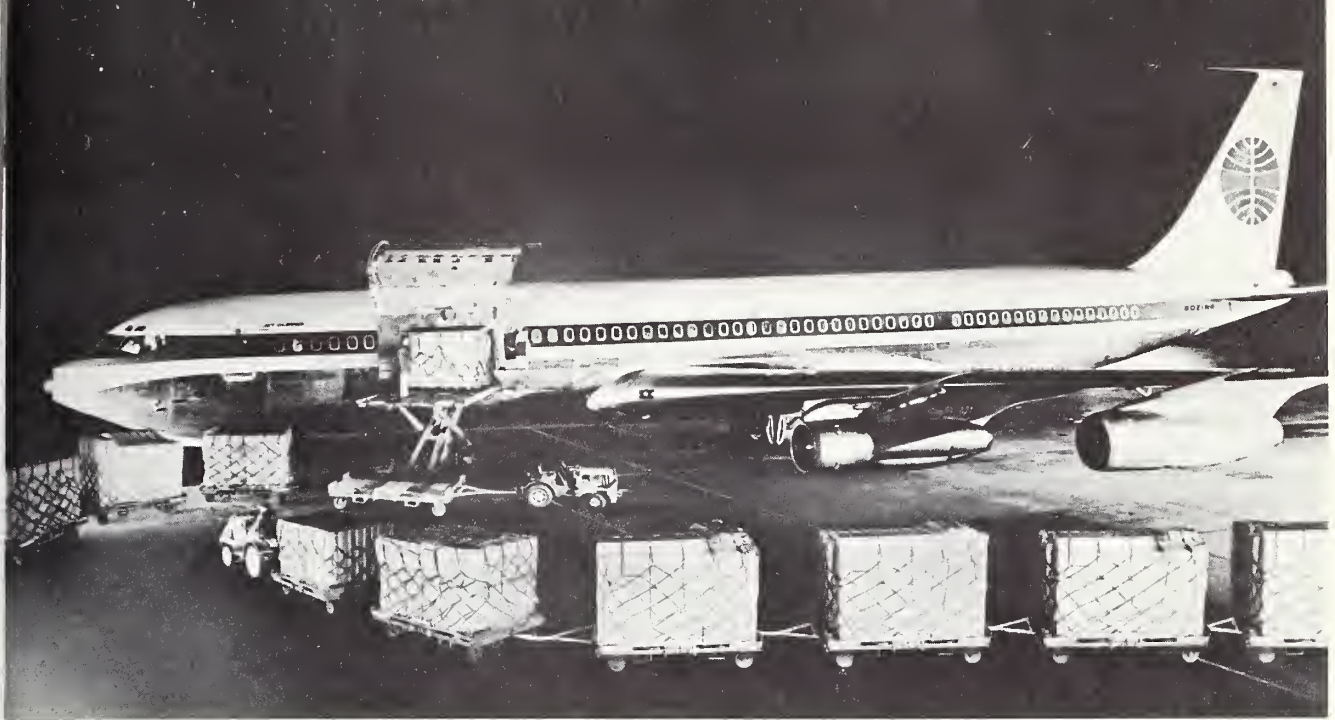
Editor: Alice Fray Nelson Associate Editor: Ruth A. Oviatt

Advisory Board:

W A. Minor, Chairman; Wilhelm Anderson, Burton A. Baker, Douglas M. Crawford, John H. Dean, F. Leslie Erhardt, David L. Hume, Robert O. Link, Kenneth W. Olson, Donald M. Rubel.

This magazine is published as a public service, and its content may be reprinted freely.

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is \$5.50, domestic, \$8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.



New jetfreighter taking on a full cargo.

SHIPPING FARM PRODUCTS ABROAD in the JET AGE

By JOHN H. HUNTER
Marketing Economics Division
Economic Research Service

New developments in the air cargo industry are helping U.S. agricultural exports take to the skies in ever-increasing quantities. Airborne exports of U.S. farm products totaled 20.2 million pounds in the first 10 months of 1963 (against 15.1 million in the same months the year before) and brought shippers nearly \$21 million.

In general, air shipments of farm products are growing for much the same reasons as all air shipments are. Airline costs are going down; rates are being revised in the shipper's interest. The numbers and capacity of freight aircraft are both increasing. Ways are being found to speed cargo handling on the ground. New types of containers (a matter of special concern for farm products) are being devised. And a whole new concept of determining shipping costs is gaining acceptance.

What we export by air

There are ways in which air shipment seems tailor-made for some farm exports. Its speed enables perishable items like vegetables, fruits, and flowers to travel without cumbersome refrigeration equipment; insures the health and comfort of live animals and poultry. Speed also helps the shipper reach markets that have sprung up suddenly because of a new fashion in food or a shortage due to weather emergencies. Some markets, indeed—such as in countries where towns are widely scattered, mountains rugged, or roads bad—are almost always inaccessible by other methods of transport than air.

Biggest volume item in the agricultural air export total for January-October 1963 was edible animals. Shipments

were 4.7 million pounds, or more than twice as much as in the same months of 1962. Next, surprisingly, came eggs in the shell, 4.6 million pounds, with a gain of 28 percent. Other large items were meat and meat products, up 20 percent to 2.1 million; nursery and floral stock, little changed at 1.9 million; and baby chicks, up 38 percent to 1.8 million.

Smaller in volume were vegetables and preparations, at 875,000 pounds; fruits and preparations, at 800,000; and tobacco and manufactures, at 736,000. However, the first two had gained 22 and 20 percent over the previous year, and the third had risen by a striking 93 percent.

In value terms, the order was quite different. Baby chicks came first, bringing exporters \$6.5 million; eggs were second, with \$3.6 million. Edible animals yielded \$2.9 million; nursery and floral stock, \$2.1 million; meat and meat products, \$1.2 million; tobacco \$975,000. Vegetables and fruits totaled \$228,000 and \$192,000.

Airline costs diminishing

Other considerations aside, transportation costs are still the first item a shipper bears in mind when deciding how to ship his goods to market. But air freight costs per ton-mile are steadily going down in comparison with the costs of shipping by surface carriers.

Ton-mile costs for the old DC-3 were about 18 cents; for today's cargo jets, they are less than 5 cents. Indirect costs now appear to be more important than direct costs of plane operation in determining whether air freight rates can compete with those of surface transportation. Today, air freight costs attributable to ground handling are 10 to 20 times as high as those for truck and rail. But these indirect costs are expected to go down, for new and better handling techniques are constantly being introduced.

Revised rates

Part of the substantial gains in international air freight, particularly over the heavily traveled North Atlantic route, have come about from the new rates approved by the Civil Aeronautics Board to become effective last April 1. The airlines now have more flexibility in generating new traffic as they move toward greater volume.

For example, with a weight minimum of 100 pounds, the per-pound rate for foodstuffs moving from New York to London is 75 cents. As volume builds up, rates go down. For a minimum of 500 pounds, the rate on fruits and vegetables from New York to London is 66 cents a pound; for 1,100 pounds or more, the rate from New York to Paris is 30 cents. With the same minimum weight, fruits and vegetables go from Los Angeles or San Francisco to Paris at 44½ cents. Cut flowers, with a minimum weight of 45 pounds, go from New York to London at 92 cents. With a minimum of 100 pounds, chicks and eggs move from Minneapolis to Tokyo at \$1.68; with a minimum of 1,100 pounds, however, the rate goes down to \$1.10. From Seattle to Tokyo, chicks and eggs move at \$1.58 for the lower volume and \$1.00 for the higher. Similarly, tobacco samples go from Seattle to Tokyo at \$1.69 and \$1.12 depending on the weight-break, and bovine semen goes from Chicago to Tokyo at \$1.66 and \$1.10.

Effect of new rates

These new rates have revised freight tariffs in all areas of the world except in the South Pacific, where former rates were continued. The airlines will review the new rates in the fall of 1964.

The basic difference between the old and new rates is that there are now fewer incentive reductions offered for large shipments within the general commodity rate structure. Instead of nine weight-breaks, there are seven, ranging from under 100 pounds to 1,100. This is helpful to the shipper who cannot ship in large quantities. If his commodity used to move at 5 cents per pound and at 4 cents for further quantities up to 1,100, eliminating the 100-pound weight-break means that he need pay only 4 cents per pound even for smaller quantities than 100 pounds. For many specific commodities, higher weight-breaks and lower rates are now offered on the important North Atlantic and Pacific routes. Thus, for shipments to London at the highest weight-break—1,100 pounds—some commodities have rates as low as 22 cents per pound. Yet only a few years ago, rates were as high as 70 to 80 cents.

New types of aircraft

Air freight services have become far more frequent and extensive in the past few years; now, they reach almost every corner of the world. Freight capacity is being offered in the holds of several thousand aircraft taking off every few seconds. Supplementing the capacity offered on passenger aircraft is that provided by growing numbers of all-cargo aircraft.

The trend is definitely toward specialized freight aircraft for the best and most economical service. Last year was the year of the jettfreighter revolution, as the first of nearly 50 pure-jet cargo planes currently on order by the international carriers came into service. These great aircraft have a capacity of up to 45 tons, a cruising speed of 500 miles per hour, and huge forward cargo doors. When they are added to the many piston aircraft already converted to

cargo operations, to the turbine-powered aircraft now in service, and to the passenger planes with cargo space, they will increase the cargo-carrying capacity of the international air fleet to about double what it was in 1962. This presents a stiff challenge to the carriers, for unused cargo space, as surely as the spoilage of perishable cargo, means a money loss. Cargoes must be found; and when found they must be handled with all possible speed and dispatch.

Improved freight handling

The tremendous load-carrying capability of the jettfreighters has forced the airlines to seek better loading systems, not only in the airplane but on the ground—in the terminals and between terminals and planes. Most jettfreighters come equipped with mechanical loading systems which greatly reduce loading and unloading time. One of these big jets can now be loaded in 40 minutes, against the 180 minutes required to put a third as much cargo aboard a piston freighter.

Some freighters are designed for loading and unloading at truckbed height. Others load from elevators and lifts of various types. In one typical loading sequence, much of the process is automatic. Goods arriving at the terminal by truck may be "unitized," or packed into large standard-size containers shaped to accommodate the curve of the plane's hold. These containers, fitting two to a pallet or small loading platform, are placed on a dolly that is equipped with rollers. Then the load is automatically rolled onto a transfer elevator similarly equipped, which takes it to a two-level staging unit to wait for the plane. At departure time, the pallet with its containers is taken by the elevator to the loading assembly, where it moves on rollers to the plane door. At this point, handlers direct the cargo manually into the plane—which also has a "rollerized" floor to speed the movement of containers. The new jettfreighters can hold 13 pallets, each with 2 containers.

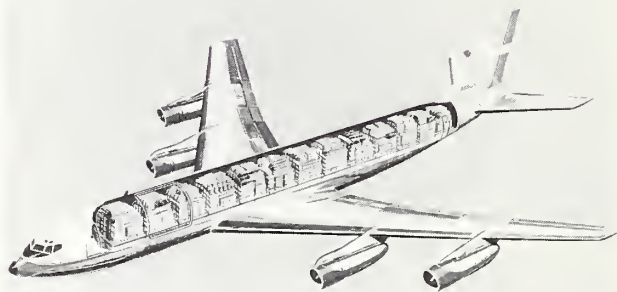
Mechanized loading

The airlines have experimented with pallets and containers of many different sizes. They recognize, however, the need for standardization is needed to give the shipper assurance that if he packs his shipment into a container it can travel on any surface conveyance and be loaded on any airline. In some of today's mechanized loading systems, freight that arrives already in containers and on pallets can go directly to the aircraft, bypassing the interim stages of packing, travel by dolly, and movement by elevator. This is a speed dividend that will become even more available as container use spreads.

Last September 1, the International Air Transport Association set up a worldwide container program to encourage the use of containers and pallets in the door-to-door delivery of international air freight consignments. The IATA Containers Board is examining and registering various types of containers, and one of the major airlines is pioneering in the use of an interline cargo container system proposed by the largest U.S. company producing freight containers. Leasing 50 containers from the company, the airlines has registered them with IATA in the hope that other airlines will eventually join in developing a container pool system. If the idea takes root, the day may not be far distant when the cargo container would be the freight-car of the air—numbered, scheduled, and apt to turn up anywhere along the far-flung airways and to return with a new cargo.



Above left, loading okra in piston craft; above right, big door of new jetfreighter accepts netted cargo. Below, right, sketch of jetfreighter shows its huge capacity.



Containers for agricultural perishables

Especially important for farm exports by air is packaging. What most agricultural shipments need is a light-weight but durable container with some degree of self-contained atmospheric and temperature control, adaptable either as an economical one-trip container or a sturdy reusable multi-trip one. A good example is the 100-pound container developed for shipping fresh salmon from the Pacific Northwest to such destinations as Paris, London, and Rome. Weighing but $4\frac{1}{2}$ pounds itself and needing only 12 pounds of refrigerant, this container is a combination of kraft liner board and polystyrene foam.

In the same type of container, air carriers are transporting cut flowers—an important source of revenue for them. A new idea being considered is a collapsible, reusable master container designed to protect several unit packs of cut flowers from extreme temperatures.

One airline has combined liner board and polystyrene with plywood and aluminum to make a refrigerated master container for shipping 12 trays of strawberries or other perishables. For this multi-trip unit, which would fit either into an air freighter or the belly compartment of a passenger-cargo aircraft, a 10-pound pack of refrigerant would suffice to protect the goods all the way from the West Coast to Europe.

New concept of costs

Airline freight sales agents are encouraging potential shippers to consider total distribution costs, and not the shipping rate alone, when selecting a mode of transportation. Up to 50 percent and more of the price of a product is spent on moving it from the point of production to the hands of the consumer. Under special circumstances—including some of particular application to agricultural freight—air transport can offer marked reductions in this distribution cost. Specialties of air shipping, beside those already mentioned—speed in transit, reduced need for in-

dividual packaging, and faster handling on the ground—include shorter warehouse time with less capital tied up in inventory and lower insurance rates with greater safety from pilferage and damage.

The shipper of farm products by air may find he can make savings and profits in a number of ways—for example, from individual shipments, from supplying particular markets regularly by air, or from switching over completely to air. Improved competitive position and customer satisfaction are other important byproducts.

Air carriers point out that the air cargo industry in its steady development, far from threatening surface transportation, can supplement it and improve its efficiency. Some shipments need to use every means of carriage available—trucks, trains, ships, and planes—to get where they are going. No one means of transport can do the whole job of moving American cargoes, either within the country or to foreign markets.

Foreign Agriculture thanks all the U.S. airlines that responded to Mr. Hunter's request for data and pictures.

Preflight Baggage Check Safeguards U.S. Farmlands

In Hawaii and certain offshore islands U.S. Plant Quarantine officers inspect travellers' baggage before they embark to prevent foreign insects and plant diseases from entering the United States

By RALPH W. SHERMAN
Plant Quarantine Division
Agricultural Research Service



U.S. Inspector Roy Hill at Bermuda Airport looks over customs declaration before asking passengers to open luggage for plant inspection. Biggest danger is Mediterranean fruit fly.

Box of vanda orchids is examined in Hawaii before being loaded on U.S.-bound plane. Certain flowers, however, are not permitted to leave Hawaii, including some of the leis.

For more than 50 years the U.S. Plant Quarantine Service has been waging a war against insects and plant diseases from foreign countries. Their job is to keep them out; hence the familiar question that greets every returning traveller: "Do you have any flowers, fruits, seeds, or plants?"

In Hawaii and such nearby vacationlands as Bermuda, Puerto Rico, and the Bahamas this question is asked *before* the tourist boards his U.S.-bound plane. Prior to his baggage being handed over to the airline representative for weighing, the inspector asks him to open it up, at the same time questions him about contraband plants and foodstuffs. Usually the tourist, if he has any, does not realize that they are contraband and is only too willing to hand them over; and sometimes he is innocently victimized by friends' packing such items in his luggage as surprise gifts. There are, of course, instances of deliberate smuggling; however, experience with millions of passengers at Honolulu indicates that over 99 percent are honest.

This preflight inspection does not stop with the pit luggage. As passengers are being loaded, inspectors stand by for a gate check. All carry-on parcels are examined to make sure they were marked and sealed during the initial inspection, and persons carrying suspicious-looking parcels are interrogated. This last check is particularly important, for occasionally friends hand passengers prohibited plant material while they are waiting to go aboard the plane.

For travellers, predeparture clearance is a great convenience, since it enables them to leave the airport with their luggage as soon as it is delivered to them. As a way of safeguarding U.S. agriculture it is highly desirable. Confiscating plant materials at their source eliminates the possibility of insects escaping and establishing themselves in the United States.

Preflight clearance is expensive, for it involves setting up U.S. quarantine stations abroad; consequently the greater part of the inspection work is done at intercontinental airports in this country. In fiscal year 1963, 115,016 planes from foreign countries were examined on arrival, and prohibited material was found in 49,228. And each year as international travel continues to grow, the situation becomes more serious and the chance of pest introduction and survival considerably greater. Modern insecticides help, but strict inspections and cooperating tourists help more.





Reluctantly, young traveller hands over her begonia plant to U.S. inspector at Nassau Airport. Here officers do three jobs in one—customs, immigration, and plant quarantine.

As passengers are being loaded on plane, inspector makes a gate check to see that all carry-on parcels have been marked and sealed during the initial inspection.



Above, before plane leaves Hawaii inspector goes aboard to recheck cargo. Right, in Nassau plane's food stores are examined for insect eggs in skin of oranges. If suspicious looking the fruit cannot be brought into the U.S.



Increased Japanese Production of Mixed Feeds Means Sales Opportunities for U.S. Feed Grains

Demand for formula feeds in Japan continues to expand rapidly, and production is rising accordingly. This expansion in commercial feed production should have a favorable effect on U.S. feed grain exports to Japan, since almost all the feed grains used in mixed feeds are imported.

Monthly production of formula feeds in Japan exceeded 500,000 metric tons for the first time in August 1963. Total production for 1963 is estimated at 5.8 million metric tons, an increase of more than a million tons over 1962. Mixed feed production is estimated at 6.5 million metric tons for 1964 and could easily reach 7 million tons.

Mixing of feeds for all classes of livestock is increasing. Of total production, 74 percent is poultry feed—largely for laying hens, but broiler production is growing. Dairy feeds make up 10 percent of the total output and swine feeds 14 percent.

One of the major reasons for the rapidly expanding use of commercial feeds is the increasing dependence of farmers on them as they add more hogs or chickens to their farms. In addition, as the productive efficiency of their operations increases, they require more carefully compounded feeds. The trend to larger operations, which is fostered by the Ministry of Agriculture and Forestry, is expected to continue, especially in poultry.

Corn imports for 1963 continued the steady upward trend of recent years, totaling 2,464,063 metric tons, against 2,316,120 in 1962. The United States supplied 1,060,597 tons, South Africa 779,205, Thailand 429,180.

Grain sorghum imports are increasing even faster. Japan imported 750,730 metric tons of grain sorghum in 1963, 741,654 of which came from the United States. Comparable data for 1962 are 399,951 tons total, with 393,962 from the United States. In view of the recent liberalization of grain sorghum imports by the Japanese Government, it is estimated that during 1964 Japan will import more than one million tons of grain sorghum. The rapid growth of grain

sorghum imports is bringing about significant changes in the composition of mixed feeds. During the latter part of 1963 grain sorghum constituted 13 percent of the total volume of ingredients used in mixed feeds compared with 8 a year earlier.

Japanese feed wheat imports for 1963 were 821,575 tons, of which the United States supplied 178,226. Barley imports were 172,115 tons, 113,235 of them from the United States. About 68 percent of the imported barley was used for livestock feed and the remainder for human food. This is the first year in which barley has been imported into Japan for feed.

Danish Bread Grain Area Down

Denmark's 1964 winter rye and wheat areas are estimated by the Danish Statistical Office to be well below those of 1963—23 percent and 9 percent, respectively. Since nearly all Danish food grains are fall-sown, this means that Denmark's total 1964 bread grain output is likely to decline for the second straight year.

There are several reasons for the acreage drop. Late harvests during the past 2 years permitted little time for planting fall-seeded crops; and last fall, weather was unfavorable during the planting period. In addition, government policies permitting improved prices for feed grains stimulated an intentional switch from food grain to feed grain. In Jutland, the main rye area, high-yielding varieties of barley were widely substituted for rye.

During 1960-62, the United States supplied Denmark with about \$233,000 worth of bread grains annually. If Denmark's production of bread grains declines as it is now expected to do, U.S. bread grain exports to Denmark may show an increase.

Germans Plant Quality Wheat

The Government of West Germany, under the protection of high domestic prices, is supporting efforts to expand the production of quality wheat. While this program is limited in scope, it could have an impact on German

purchases of quality wheats from the United States and Canada.

Basis of the program is the payment of subsidies for the planting of quality wheat types. These subsidies are used to help cover expenses for items like certified seed, special storage and drying, fertilizer, and quality tests (including the sedimentation test). In 1963, the program involved 250,000 acres, or 7 percent of the wheat area.

U.K. Plans To Export Barley

The United Kingdom—normally not a barley exporter—is reported to have about 2 million metric tons available for export. The above-normal crop, plus sizable quantities of wheat suitable only for feed, has resulted in supplies above domestic needs.

This situation is being strongly reflected in decreased exports of U.S. feed grains to the United Kingdom. For the first 7 months of 1963-64, these exports were 400,000 tons below the same period the year before.

Canada's Wheat to E. Germany

Canada will ship 750,000 tons of wheat to East Germany within the next 3 years, with deliveries beginning in August this year. In 1962-63, East Germany took no Canadian wheat, though the year before it had bought 270,000 tons. The new agreement apparently reflects a continued dependence by Bloc countries on the West for future wheat supplies.

The contract was signed in Leipzig on March 6. Terms are reported as 25 percent cash and 18 months credit on balance at 5 percent interest.

Mexico To Import No Corn

Mexico, which in 1962-63 was a sizable importer of corn because of a poor crop, anticipates no imports during 1963-64. Its 1963 fall crop and the quantities it will harvest this spring and summer from irrigated and humid areas should meet estimated consumption needs of 6.1 million metric tons, even though these represent an increase of 3 percent from last year. The 1963 production is now estimated at 6.2 million tons from an area of 16 million acres.

Mexico's corn imports in 1963 reached 466,558 metric tons, of which the major part—380,403 tons—came from the United States. South Africa sent 84,952; El Salvador, 1,203.

First Year Under New Policies of U.S. Barter Program Saves Millions in U.S. Foreign Exchange

By ROBERT O. LINK
*Office of Barter and Stockpiling
Foreign Agricultural Service*

During the year just past, the U.S. Department of Agriculture's Barter Program—which for 15 years has traded U.S. agricultural surpluses for strategic and other materials from other countries—has made a dramatic change in what it acquires abroad. The move, based on a Presidential Directive, went into effect February 13, 1963.

When the Barter Program was begun in 1949, a primary objective was to utilize U.S. surpluses of wheat, corn, cotton, dry milk, and other agricultural commodities instead of dollars to stockpile strategic materials against any possible war emergency. These commodities were also to be used in trade for goods, services, and equipment U.S. Government agencies needed abroad.

With U.S. supplies of strategic materials low at the end of World War II, stockpiling took precedence over other considerations, and between 1949 and 1962, 90 percent of all Barter commitments were in this area.

Barter's new goals

A reassessment of the Program in 1962 revealed that stockpile objectives had largely been met and that Barter could now more profitably be used to help stem the continuing drain on our supply of gold and dollars.

In early 1963, therefore, the Barter Program shifted its emphasis to transactions using agricultural commodity exports to pay for goods and services which U.S. Government agencies would otherwise buy abroad with dollars. Only those stockpile transactions would be continued which would fill unmet strategic needs—would replace sales for foreign currencies of which the United States has a surplus—would promote the United States international economic, or foreign policy objectives—or would make possible the conversion to barter of an

existing U.S. Government obligation to spend dollars abroad.

The impact of the shift in policy was marked. In the one year's time, 48 percent of the total \$142.8 million worth of barter contracts negotiated were for government procurement abroad. Formerly 90 percent of the value of all barter actions were for strategic materials.

Perhaps the most important result of the new policy has been the use of barter for materials and services desired by the U.S. Department of Defense, including the Armed Forces Post Exchanges.

Helicopters, jute, and crude oil

Proceeds from barter exports now supply our Armed Forces with commodities as diverse as helicopters and lumber, and services such as aircraft maintenance, and port handling and transportation facilities which the Department of Defense would otherwise have to procure from non-U.S. sources with its appropriated dollars.

During the past year, agricultural commodities were also used to pay for goods such as jute products and crude oil and other petroleum products supplied to friendly countries under programs of the Agency for International Development, for which appropriated dollars would otherwise have been spent abroad. In each case, the procuring agency reimbursed the Commodity Credit Corporation in dollars for the value of the procurement.

Most of the Defense barter procurements were concentrated in Europe during this period. As the year ended, however, there was good reason to expect that transactions for military procurement in the Pacific area will expand considerably during the year ahead and greater advantage can be taken of opportunities to barter for procurements by the Agency for International Development.

Also helpful to the U.S. economy was the fact that over 60 percent of stockpile barter in 1963 have taken

the place of sales for foreign currencies under P.L. 480. This is particularly important in countries where instability of local currencies used to pay for U.S. products threatens the value of sums thus built up in these countries for use by the United States. It also helps prevent the further accumulation of foreign currencies in countries where the U.S. supply of such currencies exceeds current and prospective U.S. requirements.

Important stockpile barter transactions were undertaken with Brazil and India during 1963.

U.S. wheat and cotton for ores

Brazil supplied the United States with high grade manganese ore, mica, and beryl in return for U.S. wheat.

The Indian transaction involved the exchange of commodities, including some 300,000 bales of U.S. cotton for about \$35 million worth of Indian ferromanganese, manganese ore, and beryl. As part of this same barter, surplus U.S. agricultural commodities will be exported to countries other than India to cover the cost of processing the Indian manganese ore into more readily usable ferromanganese and manganese metal in the United States. Use of additional agricultural exports to finance payment of these processing costs benefits the U.S. balance of payments. At the same time U.S. processing provides a temporary increase in industrial activity in areas where unemployment is acute and strengthens industries basic to U.S. defense.

British Approve U.S. Rice Kit for School System Use

The U.K. National Board of Education has just approved use of the U.S. Rice educational kit as a training aid for domestic science teachers and students in public schools. The action results from a U.S. Rice Export Development Assn.—FAS market development program to acquaint Britons with U.S. rice and how to prepare it.

The kit contains samples of various types of U.S. rice, maps of areas where it is grown, pamphlets on cooking techniques, and illustrated recipes adapted to British tastes.

Promotion, Competitive Prices Spurred Record U.S. Dairy Sales in 1963

With exports to Europe and Japan pushing dollar sales of U.S. dairy products to record levels in 1963, the U.S. dairy industry last year moved to strengthen long-range export prospects by setting up market development headquarters in protein-deficit areas.

Commercial exports increased in calendar 1963 for all major U.S. dairy products except evaporated milk, with nonfat dry milk sales at an alltime high of 434 million pounds. Other big dollar exports were butter, totaling 53 million pounds, up 50 million pounds from 1962; and dry whole milk, at 19 million pounds, nearly double the 1962 total.

Key factors in expanded 1963 sales were short supplies of butter in Europe and heavy purchases of nonfat dry milk for Japanese school lunch programs—products which the U.S. dairy industry could provide at competitive prices.

New emphasis on low-protein areas

Meanwhile, the Dairy Society International, which cooperates with FAS in a market development program, has shifted some of its promotional emphasis from Western Europe to protein-deficit areas where the demand for dairy products is expected to outpace local output for some years. (DSI has conducted overseas promotion for the past 17 years, the last 6 in cooperation with FAS.)

A big step in 1963 was establishing headquarters for two new regional promotion programs in the Mideast and Latin America.

DSI's new post for the Mideast program—larger of the two regional efforts, involving 9 countries—was set up in Beirut, Lebanon, last October. Appointed regional coordinator was Dara N. Khurody, developer of the Bombay Milk Scheme and pioneer in the use of imported dairy products to supplement local milk supplies in warm countries.

Technical guidance

The program—which offers technical guidance to users of U.S. milk products, particularly nonfat dry milk—is beginning with these countries: the U.A.R., Turkey, Ceylon, Lebanon, Iran, India, and Pakistan.

The Beirut office has already conducted a market survey in Egypt and

held conferences with Turkish milk producers on developing a program to stimulate consumer interest in dairy products. Also, DSI arranged with the National Research Institute of India to develop this year new types of milk products readily acceptable to Indian consumers.

The other regional office was set up early in 1963 in Santiago, Chile, to coordinate a market development program which will eventually be expanded to other Latin American markets. U.S. dairy products are being promoted through milk bars in schools and through consumer education projects with Chile's largest ice cream association. In Boliva—where milk utilization is hindered by the lack of an adequate marketing system—DSI in 1963 laid plans for setting up better milk distribution channels, and for launching new school lunch programs designed to acquaint students with the nutritional advantages of milk.

Meanwhile, DSI in 1963 closed its books on the successful Thailand Dairy Program, which—since its inception in 1956—has stimulated milk demand to the point where local

dairies are now in a position to carry on promotion started by DSI.

When the U.S. promotion began milk was virtually unknown to Thais and U.S. dairy exports to that country were practically nil. In 1963 Thailand imported over 2 million pounds of U.S. nonfat dry milk; milk products, like ice cream popsicles, have become commonplace in Thai diets; hotels for the first time serve milk; and school lunch programs and commercial milk bars operate in many areas.

Trade fair participation

Other activities of significance in DSI's 1963 market development included participation in international trade fairs—the ANUGA Fair at Cologne, Germany, "Green Week" at West Berlin, the Third International Fair of the Pacific in Peru—and a DSI-sponsored tour of the U.S. dairy industry by foreign dairy leaders during the World Food Congress held in Washington, D.C., last June. Also, DSI signed a 1-year agreement with a public relations firm in Spain to alert U.S. dairy exporters to trade opportunities as they open up.

Chilean Purchase of U.S. Holsteins Forecast

Chile has announced intentions to buy up to 550 head of purebred Holstein cattle—many from the United States—under a new \$6.7 million Inter-American Development Bank Loan for livestock improvement.

According to a USDA dairy specialist just returned from a market development trip to Chile, purchasing of U.S. Holsteins is expected to begin sometime in August.

Actual size of the cattle imports, largest ever made by Chile, will depend on how many cattle Chilean breeders request, and on the number of approvals for IDB credit granted by CORFO, the government livestock improvement corporation administering the loan. An applicant's financial position and his experience in cattle breeding are the chief factors being considered by CORFO.

So far requests total 480 Holsteins, though applications are expected to top 500 head because many Chilean breeders are not yet aware the long-awaited IDB loan has materialized.

The IDB loan will breathe new life into Chile's import trade of purebred cattle, which for some years has been stalled by lack of financing and other economic difficulties. While the United States supplies most of Chile's purebred imports, U.S. sales have totaled only 32 head since 1958. (Big U.S. competitors in Chile and other Latin American markets are Canada, the Netherlands, and West Germany.)

Over the past 6 years, U.S. market development efforts—such as sending U.S. specialists to Chile to classify cattle and judge at livestock exhibitions—have built sound working relations with Chile's cattle industry and stimulated interest in upgrading cattle. For example, the number of cattle artificially inseminated by imported sires increased from about 400 head in 1953 to nearly 17,000 in 1962.

In the same period, Chile has made strides in building the size of its cattle industry. Recent estimates put total cattle number at 900,000 head, compared with about 700,000 in 1953.

France To Raise Pork Import Fees

Beginning April 1, France will increase the variable levies on pork products imported from third countries, provided the EEC Commission will go along with the recommendations of the Ministries of Agriculture and Finance.

The levy for loins would be increased from 5.4 to 11.4 cents per pound and the levy for hams, from 6.6 to 12.3 cents.

French imports of pork in January reached 37 million pounds compared with only 4 million a year earlier. Imports from the United States in January were reported at about 3.3 million pounds, and those in February were also relatively large. However, prices of first-quality hogs on March 9, 1964 were 16 percent below the record of January 6, 1964. It is expected that some U.S. pork will continue to move into France despite the increase in duties.

The new duties on fresh and frozen pork, compared with the old ones are as follows:

	Effective date		
	Jan. 1 Cents per lb.	Feb. 16 Cents per lb.	Apr. 1 Cents per lb.
Carcasses -----	1.8	3.7	7.4
Hams, bone-in -----	4.1	6.6	12.3
Shoulders, bone-in -----	1.7	3.6	8.2
Loins -----	2.0	5.4	11.4
Bellies -----	2.0	2.3	6.7
Other cuts -----	3.0	6.3	12.3

Australian Meat Shipments to the U.S.

Two ships left Australia during the third and fourth weeks of February with 1,740,480 pounds of beef and 69,440 pounds of mutton for the United States.

Ship and sailing date	Destination ¹	Arrival date	Cargo	Quantity
	<i>Western ports</i>			<i>Pounds</i>
Lloyd Bakke----- Feb. 20	Seattle	Apr. 11	Beef	85,120
	Tacoma	12	Beef	392,000
	Portland	14	Beef	192,640
	Los Angeles	22	{Beef Mutton	291,200 33,600
	San Francisco	26	{Beef Mutton	87,360 35,840
Monterey----- Feb. 27	San Francisco	Mar. 15	Beef	33,600
	Los Angeles	19	Beef	194,880
	<i>Eastern and Gulf ports</i>			
Lake Eyre ² ----- Feb. 14	New Orleans	Mar. 12	Beef	161,280
	Tampa	15	Beef	358,400
	Philadelphia	20	Beef	51,520
	New York	22	Beef	96,320
	Boston	24	Beef	24,640

¹ Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale. ² In addition to amounts reported in *Foreign Agriculture*, March 23, 1964.

Venezuela Tightens Pork Import Requirements

The Ministries of Development and Agriculture in Venezuela now require importers of pork to acquire 2 pounds of locally produced live hogs for every pound of pork they wish to import for smoking and canning. Previously an importer had to purchase only 1 pound of

local hogs in order to import 2 pounds of pork. This is a modification of an old requirement which had been used to discourage imports of pork and promote domestic hog production. The United States exported 6.4 million pounds of pork to Venezuela in 1961; 5.1 million in 1962; and 4.8 million in 1963.

U.K. Lard Imports Rise 66 Percent in January

U.K. lard imports in January totaled 47 million pounds, up 66 percent from January 1963.

The United States supplied nearly 95 percent of the total, as arrivals from European suppliers were down to one-third the amount shipped in January of last year. Reduced purchases on the continent probably reflect the short supplies of slaughter pigs in Europe over the last few months.

LARD: U.K. IMPORTS BY COUNTRY OF ORIGIN, JANUARY 1963 AND 1964

Country of origin	January			
	1963		1964	
	Quantity	Percent of total	Quantity	Percent of total
	<i>1,000 pounds</i>	<i>Percent</i>	<i>1,000 pounds</i>	<i>Percent</i>
United States -----	19,957	69.9	44,864	94.7
Denmark -----	2,305	8.1	1,096	2.3
France -----	1,323	4.6	711	1.5
Belgium -----	2,332	8.2	267	.6
Sweden -----	450	1.6	199	.4
Netherlands -----	470	1.7	131	.3
Germany, West -----	1,120	3.8	55	.1
Others -----	604	2.1	52	.1
Total -----	28,561	100.0	47,385	100.0

Henry A. Lane & Co., Ltd.

Sweden Eases Embargo on Danish Meat Imports

On March 2, the Swedish Veterinary Board announced a modification of its embargo on meat imports from Denmark, permitting commercial imports of all fresh, chilled, and frozen meat from certain Provinces.

These Provinces—Amten, Skanderborg, Randers, Arhus, Alborg, Hjorring, Thisted, Viborg, and Ringkobing—are all located in Jutland and are those furthest from the West German border. Veterinary authorities state that there have been no cases of foot-and-mouth disease in this area for a decade or longer.

To be eligible for entry, meat must be accompanied by certifications that it originated in meat plants which handled livestock from only the Provinces named, and that slaughter of the animals took place after February 28, 1964.

Production of Food Grains Down in India

The failure of winter rains in India, plus 3 weeks of abnormal cold in the north during January, caused much greater damage to the wheat and barley crops now being harvested than earlier reports had indicated. Wheat is estimated at 10 million metric tons against last year's 11 million; barley, at 2.4 million against 2.5 million.

Also, the coarse grains harvested last fall were affected by drought in some areas and floods in others. They totaled 20.6 million tons—a decline of 4 percent.

Australia's Rice Exports Decline

Australia's exports of rice in 1963, at 63,604 metric tons, were down 17 percent from 1962. Export supplies were reduced solely by a decline in the carryover at the beginning of the year. The bumper crop of 1962-63—slightly above the previous record in 1961-62—provided most of the supplies for export in 1963.

Major changes in 1963 shipments included declines in milled rice, the principal type exported. Exports to the United Kingdom dropped from 14,021 tons to 3,792. Shipments to New Caledonia declined by 3,017 tons and those to Hong Kong by 2,375.

Approximately 17 percent—11,029 tons—of the 1963 exports were brown rice shipped to islands of Oceania. Shipments of this type were 3,000 tons below 1962, mainly because of reduced takings by New Guinea and Papua. Exports of broken rice declined sharply from 9,067 to 4,938 tons.

Australia's 1963-64 crop to be harvested in May-June is in excellent condition so far. If weather continues favorable, the harvest may reach 147,000 metric tons of rough rice, compared with the previous record of 137,000 in 1962-63. This production increase would provide about 7,000 additional tons of milled rice for export in 1964.

RICE: AUSTRALIA'S EXPORTS BY DESTINATION AND CLASSIFICATION, 1962 AND 1963

Country	1962	1963
	<i>Metric tons</i>	<i>Metric tons</i>
Brown:		
New Guinea	9,938	7,766
Papua	3,863	2,519
Other	250	744
Total	14,051	11,029
Broken:		
United Kingdom	2,400	2,200
Malaysia	1,266	0
Cook Islands	1	1,087
Other American Pacific	3,510	0
Netherlands	486	711
New Zealand	363	271
Solomon Islands	256	289
Other	785	380
Total	9,067	4,938
Milled:		
United Kingdom	14,021	3,792
New Guinea	9,377	13,440
Papua	3,121	2,989
Hong Kong	4,022	1,647
New Zealand	1,774	1,759
New Hebrides	2,859	2,402
Solomon Islands	2,472	2,622
New Caledonia	3,062	45
Guam	3,315	2,511
Other American Pacific	6,551	13,371
Other	2,836	3,059
Total	53,410	47,637
Total all rice	76,528	63,604

Commonwealth Bureau of Census and Statistics.

Argentina Grain Exports Decrease 7 Percent

Argentine grain exports for January-December 1963 totaled 2.4 million metric tons compared with 2.6 million for the same period a year earlier. All grain except sorghum showed a decrease; but sorghum shipments were three times as great as those for the first half of fiscal 1962.

A detailed table and analysis appears in the March issue of *World Agricultural Production and Trade—Statistica Report*.

Canadian Wheat and Flour Exports Soaring

Canada exported 312 million bushels of wheat and grain equivalent of flour from July 1, 1963, through January 31 1964. This is 64 percent more than the 190 million exported during the same period last year.

A detailed table and analysis appears in the March issue of *World Agricultural Production and Trade—Statistica Report*.

Rhodesian Tobacco Exports Down Slightly

Exports of unmanufactured tobacco from the former Federation of Rhodesia and Nyasaland during 1963, at 213.4 million pounds, were down slightly from the 1962 high of 216.1 million. In value, however, the exports set a new record, totaling US\$128.2 million—11.8 percent above 1962's US\$114.7 million. The 4.5-percent decline in flue-cured exports more than offset the larger shipments of other kinds of leaf tobaccos.

TOBACCO, UNMANUFACTURED: FEDERATION OF RHODESIA AND NYASALAND EXPORTS, 1962 AND 1963

Kinds	1962		1963	
	Quantity 1,000 pounds	Value 1,000 U.S. dol.	Quantity 1,000 pounds	Value 1,000 U.S. dol.
Flue-cured	189,836	104,035	181,339	114,875
Burley	3,528	2,034	7,031	3,795
Dark-fired	18,916	7,059	20,947	7,459
Sun-cured	3,345	1,349	3,405	1,575
Turkish (oriental) ..	445	230	682	496
Other	5	1	(¹)	(¹)
Total	216,075	114,708	213,404	128,200

¹ Not available.

Flue-cured exports during 1963 totaled 181.3 million pounds, valued at US\$114.9 million, compared with 189.8 million pounds, at US\$104.0 million, in 1962. The average export price per pound was equivalent to 63.3 U.S. cents—up 15.5 percent from the 54.8 cents for 1962.

Burley exports, at 7.0 million pounds, were double the 3.5 million shipped in 1962. The export valuation totaled US\$3.8 million, compared with US\$2.0 million for the previous year. The average export price per pound was 54.0 U.S. cents—slightly below the 57.7 cents for 1962.

Dark fire-cured exports rose from 18.9 million pounds in 1962 to 20.9 million in 1963, and the export valuation, from US\$7.0 million to US\$7.5 million. The average export price per pound was equivalent to 35.6 U.S. cents, down about 5 percent from the 37.3 cents for 1962.

Exports of sun-cured tobaccos were also up slightly—to 3.4 million pounds, from 3.3 million in 1962. Shipments of Turkish (oriental) tobaccos totaled 682,000 pounds, up sharply from the 445,000 pounds in 1962.

Colombia Exports Record Amount of Tobacco

Colombia's exports of unmanufactured tobacco in 1963 were a record 24.6 million pounds—up 10 percent from the 22.3 million shipped out in 1962.

The United States (including Puerto Rico) was the largest foreign market for Colombian tobacco last year, taking 8.7 million pounds or 35 percent of the total.

Other major markets included France, West Germany, Spain, and the Netherlands. All of these except West Germany, purchased more than in 1962.

Average export prices per pound, for Colombian exports to major destinations, in terms of U.S. equivalents were The United States 30.4 cents, France 28.8, West Germany 29.5, Spain 29.1, and the Netherlands 28.1. The average export price for all leaf shipped out in 1963 was 29.1 cents, compared with 25.5 in 1962.

TOBACCO: UNMANUFACTURED: COLOMBIA, EXPORTS BY DESTINATION, 1961-63

Destination	1961	1962 ¹	1963 ¹
	1,000	1,000	1,000
	pounds	pounds	pounds
United States ² -----	5,268	6,805	8,664
France -----	1,866	2,951	5,753
West Germany -----	4,703	6,182	3,941
Spain -----	318	1,117	2,811
Netherlands -----	631	730	1,181
Morocco -----	2,329	678	702
Tunisia -----	123	298	384
United Kingdom -----	1,757	594	292
Uruguay -----	169	143	216
Belgium-Luxembourg -----	289	518	153
Malagasy Republic -----	134	119	134
Algeria -----	811	615	121
Canary Islands -----	111	224	—
Others -----	654	1,359	279
Total -----	19,163	22,333	24,631

¹ Preliminary; subject to revision. ² Includes Puerto Rico.

Mozambique Again World's Leading Cashew Producer

Mozambique's 1963 cashew crop is estimated at 115,000 short tons compared with estimates of 84,000 tons harvested in India and about 64,000 in Tanganyika.

According to production estimates based on export figures, 1963 is the third straight year that the Mozambique crop (110,000 tons in 1961 and 100,000 in 1962) has been the world's largest. Should the 115,000-ton estimate be borne out, this would be the largest crop ever produced in Mozambique or any other country.

Despite fears that the dispute between Portugal and India in 1961 would impair trade relations between India and Mozambique, India in the past 3 years has taken over 99 percent of Mozambique's exports of inshell cashews, and about 85 percent of its entire crop. Mozambique's exports to India were greater than Indian production for the same period.

MOZAMBIQUE: EXPORTS OF INSHELL CASHEWS, 1961-63, BY DESTINATION

Destination	1961	1962	1963 ¹
	Short tons	Short tons	Short tons
India -----	92,082	88,615	94,966
Italy -----	602	88	346
Others -----	551	8	2
Total -----	93,235	88,711	95,314

¹ January through October.

Cashew-kernel production, as estimated from kernel export figures, reached an alltime high of over 3,000 tons in 1963 as the result of the introduction of mechanical shelling. The new shelling plant is expected to reach a peak output of 2,200 tons this year, and kernel production is expected to top 4,500 tons in 1964.

The United States takes most of Mozambique's cashew kernel exports—over 80 percent in 1962. The Republic

of South Africa was the second largest buyer in 1962, but the EEC (mainly France and Germany) had become an increasingly important user by October 1963.

MOZAMBIQUE: EXPORTS OF CASHEW KERNELS BY DESTINATION, 1962 AND 1963

Year	United States	Republic of South Africa	EEC	Others	Total
	Short tons	Short tons	Short tons	Short tons	Short tons
1962 ----	1,757	228	44	65	2,094
1963 ¹ ---	1,856	205	262	41	2,364

¹ January through October.

W. Germany Sets Import Tender on Asparagus

The Federal Republic has extended the import tender on all packs of canned asparagus except center cuts, which are liberalized, and cuts and tips, which are specifically excluded.

Imports are allowed from the following countries: The United States, Australia, Japan, Canada, Peru, and Taiwan. Exporters from these areas may submit applications for import licenses until the exhaustion of the unpublished value limit but not later than May 5, 1964. Licenses will be valid until May 15.

Austria Sells More Dairy Products

Austria exported considerably larger quantities of manufactured dairy products in 1963 than in 1962. Shipments of total dried milk, which have been increasing for several years, were up more than 38 percent to 26 million pounds. In both 1962 and 1963, the United Kingdom was the most important outlet for this product, taking 16 million pounds in 1963 and 9 million a year earlier. Exports to West Germany of approximately 7 million pounds were slightly under the 1962 level. Most of the remainder went to Switzerland and Spain.

Sales of cheese reached a record 20 million pounds compared with 18 million a year ago. Italy, again the principal market, took 16 million pounds. Purchases by the United States totaled 1 million pounds—the same as in the past several years. Most of the remainder went to West Germany, Belgium, Switzerland, and the United Kingdom.

Austria exported 9 million pounds of butter in 1963, of which the United Kingdom took a little less than half, Italy 3 million pounds, and West Germany 1 million. Smaller shipments were made to Switzerland, Yugoslavia, and Czechoslovakia.

Imports of cheese, at 8 million pounds, remained at the level of the past 3 years and came mostly from the following traditional suppliers: Denmark (2 million) and West Germany, the Netherlands, and Finland (1 million each). Smaller quantities came from Italy, Switzerland, France, Belgium, and Czechoslovakia.

U.S. Cotton Exports Up Sharply

U.S. exports of all types of cotton amounted to 2,736,000 running bales in the first 6 months (August-January) of the current season. This is more than double the 1,352,000 bales exported in the same period of 1962-63 and 14 percent above average shipments of 2,401,000 bales for this period of the previous 5 seasons.

Exports in January were 587,125 bales, compared with 628,280 in December and 211,468 in January of 1963.

Registrations for export through March 9 of the 1963-64 season under the competitive bid sales program (including sales of "irregular" cotton and payment-in-kind export registrations) totaled 4,312,812 bales. Last year's payment-in-kind registrations totaled 2,565,960 bales by the corresponding date.

COTTON: U.S. EXPORTS BY COUNTRY OF DESTINATION, AUGUST 1963 TO JANUARY 1964, WITH COMPARISONS

Destination	Year beginning August 1				
	Average				August-January
	1955-59	1961	1962	1962	1963
	1,000 run-ning bales	1,000 run-ning bales	1,000 run-ning bales	1,000 run-ning bales	1,000 run-ning bales
Austria -----	33	33	13	5	8
Belgium & Lux. -----	160	100	72	40	71
Denmark -----	17	13	13	8	7
Finland -----	22	21	13	4	7
France -----	360	300	180	82	194
Germany, West -----	475	204	101	48	251
Italy -----	416	376	192	120	198
Netherlands -----	124	106	71	43	71
Norway -----	10	13	10	4	7
Poland & Danzig -----	85	139	62	7	46
Portugal -----	28	18	7	3	10
Spain -----	171	155	(¹)	(¹)	2
Sweden -----	75	99	56	21	49
Switzerland -----	64	75	37	23	59
United Kingdom -----	525	270	139	71	137
Yugoslavia -----	108	175	113	11	4
Other Europe -----	17	9	3	1	0
Total Europe -----	2,690	2,106	1,082	491	1,121
Australia -----	54	64	41	14	44
Canada -----	217	397	271	124	193
Chile -----	35	12	24	(¹)	1
Columbia -----	33	1	1	(¹)	6
Cuba -----	27	0	0	0	0
Ethiopia -----	4	13	15	7	7
Hong Kong -----	134	104	79	24	82
India -----	184	215	198	54	152
Indonesia -----	30	46	51	27	20
Israel -----	16	10	7	2	5
Japan -----	1,154	1,028	895	335	667
Korea, Rep. of -----	205	300	236	92	179
Morocco -----	10	14	8	5	9
Pakistan -----	14	39	8	(¹)	(¹)
Philippines -----	64	142	108	59	57
South Africa, Rep. of -----	26	52	19	6	14
Taiwan (Formosa) -----	153	256	223	66	99
Thailand -----	4	30	22	10	22
Uruguay -----	15	11	0	0	(¹)
Venezuela -----	2	16	5	4	9
Vietnam ² -----	2	30	36	28	39
Other countries -----	27	27	22	4	10
Total -----	5,100	4,913	3,351	1,352	2,736

¹ Less than 500 bales. ² Indochina prior to 1958. Includes Laos and Cambodia.

Sudanese Cotton Crop Smaller

Sudan's 1963-64 crop of cotton, now being harvested, is currently estimated at 650,000 bales (480 lb. net). This is 10 percent below last season's crop of 721,000 and somewhat lower than annual average production in the past 5 seasons of 676,000.

The smaller crop this season, about 90 percent of which is extra-long-staple type, is attributed to an unfavorable season and repeated insect infestations. The quality of the crop is reported to be unexpectedly low. The acreage—at 1,100,000—is about the same as last season's.

Exports of cotton from Sudan amounted to 141,000 bales during the first 2 months (August-September) of the current season, compared with 121,000 in the same period of the previous season. Quantities shipped to principal destinations during the full 1962-63 season (August-July),

with comparable 1961-62 figures in parentheses, were India 137,000 bales (161,000), the United Kingdom 114,000 (106,000), West Germany 81,000 (76,000), the USSR 82,000 (59,000), Italy 78,000 (76,000), Japan 57,000 (35,000), China Mainland 52,000 (12,000), France 35,000 (32,000), and Rumania 22,000 (8,000).

Following the substantial increases in Egyptian export prices that accompanied the short supply of extra-long-staple cotton and the improved demand for it, offering prices for Sudanese cotton have increased about 3 U.S. cents per pound since last October. Forward sales of about 100,000 bales of new-crop Lambert from private estates indicate a seriously low-grade crop. No Sakel variety is being offered and the market is currently at a near standstill pending the Gezira Board's establishment of auction prices. The smaller Sudanese crop of indicated lower quality promises less than expected relief to the continuing tight supply situation for extra-long-staple cotton in overseas consuming countries.

Philippine Copra and Coconut Oil Exports Decline

Registered exports of copra and coconut oil from the Philippine Republic in January-February, on an oil equivalent basis, totaled 107,759 long tons, compared with 115,613 in the same period of 1963—down 7 percent.

PHILIPPINES: REGISTERED EXPORTS OF COPRA AND COCONUT OIL, JAN. AND FEB., 1964, WITH COMPARISONS

Country and continent of destination	January-February		
	1963 ¹	1963 ¹	1964 ¹
Copra:	Long tons	Long tons	Long tons
United States -----	245,293	22,400	24,510
Europe -----	623,693	87,452	90,782
South America -----	16,970	3,000	—
Japan -----	38,977	11,500	2,000
Other Asia -----	500	—	500
Middle East -----	3,250	3,250	140
Total -----	928,683	127,602	117,932
Coconut oil:			
United States -----	183,648	33,948	25,333
Europe -----	28,489	—	6,610
Republic of South Africa -----	—	—	340
Total -----	212,137	33,948	32,283

¹ Preliminary.

Compiled from monthly data on registered shipments, Manila.

Turkish Edible Oil Situation

Turkish production of edible vegetable oils in 1963-64 is unofficially forecast at 168,200 metric tons—up more than one-sixth from the 1962-63 level, but 4 percent below 1960-61's. This gain will result primarily because of the prospective increase in olive oil outturn from 1963-crop olives. Sunflowerseed production, which in recent years has dropped sharply because of parasitic infestations, is expected to increase significantly in 1964. However, it will still be well below the 1961 level.

Despite this production increase, Turkey will import an estimated 85,000 tons of soybean and cottonseed oils from the United States in 1963-64—almost entirely under Title I of Public Law 480. Most of the increase in total edible vegetable oil supplies is expected to be absorbed by an increase in domestic consumption, although a portion will be held as stocks in anticipation of decreased oil outturn from the 1964 off-year olive crop.

Olive oil traditionally has been the major vegetable oil produced in Turkey. Cottonseed—representing about 30

percent of the total—ranks second, while sunflowerseed oil—despite its decline of recent years—is third.

TURKEY: EDIBLE VEGETABLE FATS AND OILS, SUPPLY AND DISTRIBUTION, 1959-60 THROUGH 1963-64

Item	1959-60	1960-61	1961-62	1962-63 ¹	1963-64 ²
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons
Supply:					
Stocks, Nov. 1-----	72.3	79.9	19.8	43.7	38.2
Production:					
Cottonseed-----	34.0	38.0	46.5	54.0	54.0
Peanut ³ -----	—	—	8.5	11.5	12.7
Soybean ³ -----	—	—	0.7	1.0	1.1
Sunflower-----	30.3	19.7	15.6	10.8	16.8
Sesame-----	7.1	7.3	6.7	8.0	9.6
Olive-----	36.0	45.2	90.0	50.0	65.0
Others ³ -----	6.2	6.6	7.0	8.0	9.0
Total-----	113.6	116.8	175.0	143.3	168.2
Imports:					
Cottonseed-----	16.9	—	15.0	18.0	25.0
Soybean-----	17.8	—	35.0	39.5	60.0
Total-----	34.7	—	50.0	57.5	85.0
Total supply----	220.6	196.7	244.8	244.5	291.4
Distribution:					
Human consumption:					
Cottonseed-----	36.6	55.0	57.0	60.0	62.0
Peanut-----	—	—	7.4	10.3	10.0
Soybean-----	10.4	19.4	16.9	35.0	40.0
Sunflower-----	24.6	17.6	14.0	9.8	15.0
Sesame-----	5.0	5.2	6.0	7.0	8.5
Olive-----	33.3	39.0	45.0	35.0	40.0
Others-----	2.2	3.5	4.6	4.5	5.0
Total-----	112.1	139.7	150.9	161.6	180.5
Exports:					
Peanut ³ -----	0.5	0.1	1.1	0.8	2.0
Olive-----	—	0.2	21.3	19.5	14.0
Others ³ -----	6.6	2.7	1.9	0.9	1.0
Total-----	7.1	3.0	24.3	21.2	17.0
Industrial uses-----	21.5	34.2	25.9	23.5	27.7
Stocks, October 31----	79.9	19.8	43.7	38.2	66.2
Total distribution--	220.6	196.7	244.8	244.5	291.4

¹ Preliminary. ² Unofficial forecast. ³ Includes oil equivalent of oilseeds.
Compiled from official and other sources.

Israeli Imports of Vegetable Oils Decline

Israel's imports of edible vegetable oils including the oil equivalent of oil-bearing materials in the marketing year beginning October 1, 1963, are expected to decline by one-sixth from the previous year. The expected decline reflects a significant increase in the stocks of edible oils imported in 1962-63. Also there was some increase in indigenous production despite increased domestic consumption. Domestic production of oils from imported oil-bearing materials, chiefly soybeans from the United States, is expected to increase moderately.

The Government continues to be the only major importer of oilseeds and oils in Israel. The United States is the major supplier of oilseeds as soybeans for dollars, and of edible oil as crude soybean oil primarily under Public Law 480.

Domestic crushing of imported oil-bearing materials accounts for most of the supply. The capacity of Israel's crushing industry increased to some 385,000 tons in 1962-63 from 330,000 in 1961-62. In 1962-63 the industry crushed about 240,000 tons, operating at around 60 percent of capacity compared with 259,200 tons or about 80 percent of capacity in 1961-62. Crushings, which were restricted in 1962-63 because of limited domestic demand

for oilcake, in 1963-64 are expected to set a new high exceeding 280,000 tons. This rise reflects anticipation of resumed expansion in the poultry and dairy industries.

ISRAEL: OIL-BEARING MATERIALS AND OILS, PRODUCTION AND IMPORTS, 1962 AND 1963 ¹				
Item	Production		Imports	
	1962 Short tons	1963 ² Short tons	1962 Short tons	1963 ² Short tons
Oil-bearing materials:				
Cottonseed-----	28,200	22,050	—	—
Peanuts ³ -----	13,700	14,300	—	—
Soybeans-----	—	—	232,560	242,500
Sunflowerseed-----	1,050	1,980	1,980	—
Olives-----	5,300	19,850	—	—
Copra-----	—	—	4,300	5,500
Total-----	48,250	58,180	238,840	248,000
Oil equivalent-----	—	—	41,000	46,960
Edible vegetable oils: ⁴				
Cottonseed-----	3,530	4,265	2,555	—
Peanut-----	30	—	—	—
Soybean-----	—	—	31,635	16,535
Sunflower-----	770	—	—	—
Olive-----	275	1,980	—	110
Copra-----	—	—	1,655	—
Total-----	4,605	6,245	35,845	16,645
Grand total (oil equiv.)--	—	—	76,845	63,605

¹ Marketing year October 1 through September 30. ² Preliminary. ³ Unshelled basis. ⁴ Produced from domestic material.
Israeli Ministry of Commerce and Industry.

St. Lucia Discontinues Sugar Production

St. Lucia ceased producing sugar at the end of the 1963 crop and has now become an importer. Production in 1962-63, which amounted to 2,800 tons compared with 4,300 in 1961-62, was slightly above consumption requirements.

Australian Honey Exports Regulated

Regulations covering the control of honey exports from Australia became effective March 1, 1964. The Australian Honey Marketing Board was established under the Honey Industry Act of 1962, but detailed and protracted negotiations on regulatory powers kept it from assuming full export control for some time. Export quality standards have now been determined; they apply to all honey exported from Australia as of March 1.

Under the Honey Export Control Regulations the Board is empowered to control exports through a licensing scheme. The grading standards to be enforced by the Department of Primary Industry Inspection Services are based on the "Pfund" grading instrument and are similar to those of the United States with slight adjustments in color classification for Australian honey types. The inspection regulations also set minimum standards for various types of packing and trade descriptions.

Second Sugar Refinery Proposed for Nigeria

The Government of Eastern Nigeria is considering a proposal to set up an integrated sugar plantation and refinery. Initially the factory would be capable of producing about 65,000 short tons of refined sugar a year. The East Nigerian Government is now seeking foreign capital and participation in the project.

At present, Nigeria must meet all of its refined sugar

OFFICIAL BUSINESS

To change your address or stop mailing,
tear off this sheet and send to Foreign
Agricultural Service, U.S. Dept. of Agriculture,
Rm. 5918, Washington, D.C. 20250.

requirements through imports. However, the country's first sugar mill—located at Bacita, in Iloria province—is scheduled to open in November 1964. It should reach full production, approximately 30,000 short tons of sugar per year, in 1967.

A survey of the country's sugar consumption in recent years indicates that by 1968 the demand for refined sugar may be 125,000 short tons, and by 1971, over 160,000.

West Indies Sugar Sales Procedure Changed

Sales of French West Indies cane sugar are now being handled separately from sales of metropolitan French beet sugar. In the past, the proceeds from all West Indies sugar sales were pooled with those from the sale of the metropolitan beet crop. However, under the new system the proceeds from sales of French West Indies sugar to countries outside of the franc zone will be returned directly to the local producers.

Malaysia Develops New Hybrid Rice

Malaysians, with the help of Japanese plant breeders working under the Colombo Plan, have developed a new short-term hybrid rice to be used in double cropping—advocated by government officials in recent years as a promising method for increasing food production.

For the off-season crop, Malaysians have hitherto been using the fast-maturing Japonica variety (known locally as "Taiwan"), first introduced in the Malay States by the Japanese. The new hybrid—named "Malinja," from the first syllables of Malaysia, India, and Japan—is a cross between this Japonica and the less starchy Indica variety which Malaysians prefer.

Malinja, though slightly slower in maturing than Taiwan, has the advantage of being nonphotosensitive and adaptable to both the main and off-season crops. Its yield has been consistently high in the past years, reportedly averaging 1 long ton of milled rice per acre, or 10 to 15 percent more than Taiwan.

WORLD CROPS AND MARKETS INDEX

(Other commodity articles listed on page 2)

Cotton

- 13 U.S. Cotton Exports up Sharply
- 14 Sudanese Cotton Crop Smaller

Dairy and Poultry Products

- 13 Austria Sells More Dairy Products

Fats, Oilseeds, and Oils

- 14 Philippine Copra and Coconut Oil Exports Decline
- 14 Turkish Edible Oil Situation
- 15 Israeli Imports of Vegetable Oils Decline

Fruits, Vegetables, and Nuts

- 13 Mozambique Again World's Leading Cashew Producer
- 13 W. Germany Sets Import Tender on Asparagus

Grains, Feeds, Pulses, and Seeds

- 11 Production of Food Grains Down in India
- 12 Australia's Rice Exports Decline
- 12 Argentine Grain Exports Decrease 7 Percent
- 12 Canadian Wheat and Flour Exports Soaring
- 16 Malaysia Develops New Hybrid Rice

Livestock and Meat Products

- 11 France To Raise Pork Import Fees
- 11 Australian Meat Shipments to the U.S.
- 11 Venezuela Tightens Pork Import Requirements
- 11 U.K. Lard Imports Rise 66 Percent in January
- 11 Sweden Eases Embargo on Danish Meat Imports

Sugars, Fibers, and Tropical Products

- 15 St. Lucia Discontinues Sugar Production
- 15 Australian Honey Exports Regulated
- 15 Second Sugar Refinery Proposed for Nigeria
- 16 West Indies Sugar Sales Procedure Changed

Tobacco

- 12 Rhodesian Tobacco Exports Down Slightly
- 12 Colombia Exports Record Amount of Tobacco